Form **1120-H**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for Homeowners Associations

OMB No. 1545-0127

2003

For calendar year 2003 or tax year beginning , 2003, and ending , 20

Use IRS label. Otherwise, print or type.	Name	Employer identification number (see page 4)
	Number, street, and room or suite no. (If a P.O. box, see page 4.)	Date association formed
	City or town, state, and ZIP code	

Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return

A Check type of homeowners association: ☐ Condominium management association ☐ Residential real estate association ☐ Timeshare association

B	Total exempt function income. Must meet 60% gross income test (see instructions)	B		
C	Total expenditures made for purposes described in 90% expenditure test (see instructions)	C		
D	Association's total expenditures for the tax year (see instructions)	D		
E	Tax-exempt interest received or accrued during the tax year	E		

Gross Income (excluding exempt function income)

1	Dividends	1		
2	Taxable interest	2		
3	Gross rents	3		
4	Gross royalties	4		
5	Capital gain net income (attach Schedule D (Form 1120))	5		
6	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)	6		
7	Other income (excluding exempt function income) (attach schedule)	7		
8	**Gross income** (excluding exempt function income). Add lines 1 through 7	8		

Deductions (directly connected to the production of gross income, excluding exempt function income)

9	Salaries and wages	9		
10	Repairs and maintenance	10		
11	Rents	11		
12	Taxes and licenses	12		
13	Interest	13		
14	Depreciation (attach Form 4562)	14		
15	Other deductions (attach schedule)	15		
16	**Total deductions.** Add lines 9 through 15	16		
17	Taxable income before specific deduction of $100. Subtract line 16 from line 8	17		
18	Specific deduction of $100	18	$100	00

Tax and Payments

19	**Taxable income**. Subtract line 18 from line 17	19		
20	Enter 30% of line 19. (Timeshare associations, enter 32% of line 19.)	20		
21	Tax credits (see instructions)	21		
22	**Total tax.** Subtract line 21 from line 20. See instructions for recapture of certain credits	22		
23	**Payments:** **a** 2002 overpayment credited to 2003	23a		
	b 2003 estimated tax payments	23b		
	c Total ▶	23c		
	d Tax deposited with Form 7004	23d		
	e Credit for tax paid on undistributed capital gains (attach Form 2439)	23e		
	f Credit for Federal tax on fuels (attach Form 4136)	23f		
	g Add lines 23c through 23f	23g		
24	**Tax due**. Subtract line 23g from line 22. See instructions for depository method of tax payment	24		
25	**Overpayment**. Subtract line 22 from line 23g	25		
26	Enter amount of line 25 you want: **Credited to 2004 estimated tax ▶** **Refunded ▶**	26		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Date Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ **Yes** ☐ **No**

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code		EIN	
		Phone no. ( )	

For Paperwork Reduction Act Notice, see instructions on page 4.

Cat. No. 11477H Form **1120-H** (2003)

How To Get Forms and Publications

Personal computer. You can access the IRS website 24 hours a day, 7 days a week, at **www.irs.gov** to:

- Order IRS products online.
- Download forms, instructions, and publications.
- See answers to frequently asked tax questions.
- Search publications online by topic or keyword.
- Send us comments or request help by email.
- Sign up to receive local and national tax news by email.

You can also reach us using file transfer protocol at **ftp.irs.gov.**

CD-ROM. Order **Pub. 1796,** Federal Tax Products on CD-ROM, and get:

- Current year forms, instructions, and publications.
- Prior year forms, instructions, and publications.
- Frequently requested tax forms that may be filled in electronically, printed out for submission, and saved for recordkeeping.
- The Internal Revenue Bulletin.

Buy the CD-ROM on the Internet at **www.irs.gov/cdorders** from the National Technical Information Service (NTIS) for $22 (no handling fee) or call **1-877-CDFORMS** (1-877-233-6767) toll free to buy the CD-ROM for $22 (plus a $5 handling fee).

By phone and in person. You can order forms and publications 24 hours a day, 7 days a week, by calling **1-800-TAX-FORM** (1-800-829-3676). You can also get most forms and publications at your local IRS office.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A homeowners association files Form 1120-H as its income tax return to take advantage of certain tax benefits. These benefits, in effect, allow the association to exclude exempt function income (defined below) from its gross income.

Electing To File Form 1120-H

A homeowners association elects to take advantage of the tax benefits provided by section 528 by filing a properly completed Form 1120-H. The election is made separately for each tax year and generally must be made by the due date, including extensions, of the income tax return.

See Regulations section 301.9100-2 for information on a 12-month extension of time to make the election. This extension does not extend the time to pay the tax. Once Form 1120-H is filed, the association cannot revoke its election for that year unless the IRS consents. The association may request IRS consent by filing a ruling request. A user fee must be paid with all ruling requests. For more information on ruling requests, see Rev. Proc. 2003-1. You can find this revenue procedure on page 1 of Internal Revenue Bulletin 2003-1 at **www.irs.gov/pub/irs-irbs/irb03-01.pdf.**

If the association does not elect to use Form 1120-H, it must file the applicable income tax return (Form 1120, etc.).

A homeowners association should compare its total tax computed on Form 1120-H with its total tax computed on either **Form 1120,** U.S. Corporation Income Tax Return, or **Form 1120-A,** U.S. Corporation Short-Form Income Tax Return. The association may file the form that results in the lowest tax.

Note: *The taxable income of a homeowners association that files its tax return on Form 1120-H is taxed at a flat rate of 30% for condominium management associations and residential real estate associations. The tax rate for timeshare associations is 32%. These rates apply to both ordinary income and capital gains.*

If the association is tax exempt under section 501(a), **do not** file Form 1120-H. See section 6033 and related regulations. If the association loses its exempt status, see Regulations section 1.528-8(e).

Definitions

Homeowners association. There are three kinds of homeowners associations:

1. A **condominium management association** organized and operated to acquire, build, manage, maintain, and care for the property in a condominium project substantially all of whose units are homes for individuals.

2. A **residential real estate management association** organized and operated to acquire, build, manage, maintain, and care for a subdivision, development, or similar area substantially all of whose lots or buildings are homes for individuals.

3. A **timeshare association** (other than a condominium management association), organized and operated to acquire, build, manage, maintain, and care for the property that has members who hold a timeshare right to use, or a timeshare ownership interest in, real property of the timeshare association. A timeshare asociation cannot be a condominium management association.

See Regulations section 1.528-4 for information regarding the "substantially all" test for condominium management associations and residential real estate management associations.

To qualify as a homeowners association, the following must apply.

- At least 60% of the association's gross income for the tax year must consist of exempt function income (see below).
- At least 90% of the association's expenses for the tax year must consist of expenses to acquire, build, manage, maintain, or care for its property, and, in the case of a timeshare association, for activities provided to, or on behalf of, members of the timeshare association.
- No private shareholder or individual can profit from the association's net earnings except by acquiring, building, managing, or caring for association property or by a rebate of excess membership dues, fees, or assessments.
- The association must file Form 1120-H to elect under section 528 to be treated as a homeowners association.

Association property. Association property includes real and personal property that:

1. The association holds,

2. The association's members hold in common,

3. The association's members hold privately within the association, and

4. Is owned by a governmental unit and is used to benefit the unit's residents.

Timeshare association property includes property related to the timeshare project that the association or its members have rights to use. These rights must arise out of recorded easements, covenants, or other recorded instruments.

For more information, see Regulations section 1.528-3.

Taxable income. Taxable income is the excess, if any, of:

1. Gross income for the tax year, excluding exempt function income, over:

2. Allowed deductions directly connected with producing any gross income except exempt function income. Allowed deductions include a specific $100 deduction. The following are not allowed:

- Net operating loss deduction (section 172).
- Deductions under part VIII of subchapter B (special deductions for corporations).

If facilities are used (or personnel are employed) for both exempt and nonexempt purposes, see Regulations section 1.528-10.

Exempt function income. Exempt function income consists of membership dues, fees, or assessments from **(a)** owners of condominium housing units, **(b)** owners of real property in the case of a residential real estate management association, or **(c)** owners of timeshare rights to use, or timeshare ownership interests in, real property in the case of a timeshare association. This income must come from the members as owners, not as customers, of the association's services.

Assessments or fees for a common activity qualify but charges for providing services do not qualify.

Examples. In general, exempt function income includes assessments made to:

1. Pay principal, interest, and real estate taxes on association property.

2. Maintain association property.

3. Clear snow from public areas and remove trash.

Income that is **not** exempt function income includes:

1. Amounts that are not includible in the organization's gross income other than under section 528 (for example, tax-exempt interest).

2. Payments from nonmembers.

3. Payments from members for special use of the organization's facilities, apart from the use generally available to all members.

4. Interest on amounts in a sinking fund.

5. Payments for work done on nonassociation property.

6. Members' payments for transportation.

For more information, see Regulations section 1.528-9.

When To File

Generally, an association must file Form 1120-H by the 15th day of the 3rd month after the end of its tax year.

If the due date falls on a Saturday, Sunday, or legal holiday, the association may file on the next business day.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. See the instructions for Form 1120 for details.

Extension. File **Form 7004,** Application for Automatic Extension of Time To File Corporation Income Tax Return, to request a 6-month extension of time to file.

Who Must Sign

The return must be signed and dated by the president, vice-president, treasurer, assistant treasurer, chief accounting officer, or any other association officer (such as tax officer) authorized to sign. Receivers, trustees, or assignees must also sign and date any return filed on behalf of an association.

If an association officer completes Form 1120-H, the paid preparer's space should remain blank. Anyone who prepares Form 1120-H but does not charge the association should not complete that section. Generally, anyone who is paid to prepare the return must sign it and fill in the "Paid Preparer's Use Only" area.

The **paid preparer** must complete the required preparer information and—

- Sign the return in the space provided for the preparer's signature.
- Give a copy of the return to the taxpayer.

Where To File

File the association's return at the applicable IRS address listed below.

If the association's principal business, office, or agency is located in:	Use the following Internal Revenue Service Center address:
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	Cincinnati, OH 45999-0012
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	Ogden, UT 84201-0012
A foreign country or U.S. possession	Philadelphia, PA 19255-0012

Paid Preparer Authorization

If the association wants to allow the IRS to discuss its 2003 tax return with the paid preparer who signed it, check the "Yes" box in the signature area of the return. This authorization applies only to the individual whose signature appears in the "Paid Preparer's Use Only" section of the association's return. It does not apply to the firm, if any, shown in that section.

If the "Yes" box is checked, the association is authorizing the IRS to call the paid preparer to answer any questions that may arise during the processing of its return. The association is also authorizing the paid preparer to:

- Give the IRS any information that is missing from the return,
- Call the IRS for information about the processing of the return or the status of any related refund or payment(s), and
- Respond to certain IRS notices that the association has shared with the preparer about math errors, offsets, and return preparation. The notices will not be sent to the preparer.

The association is not authorizing the paid preparer to receive any refund check, bind the association to anything (including any additional tax liability), or otherwise represent the association before the IRS. If the association wants to expand the paid preparer's authorization, see **Pub. 947,** Practice Before the IRS and Power of Attorney.

The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without extensions) for filing the association's 2004 tax return.

Other Forms and Statements That May Be Required

The association may have to file some of the following. See the form for more information.

- **Form W-2,** Wage and Tax Statement, and **Form W-3,** Transmittal of Wage and Tax Statements. Use these forms to report wages, tips, and other compensation, and withheld income, social security, and Medicare taxes for employees.
- **Form 940** or **Form 940-EZ,** Employer's Annual Federal Unemployment (FUTA) Tax Return. The association may be liable for FUTA tax and may have to file Form 940 or Form 940-EZ if it either:

  1. Paid wages of $1,500 or more in any calendar quarter in 2002 or 2003, or

  2. Had one or more employees who worked for the association for at least some part of a day in any 20 or more different weeks in 2002 or 20 or more different weeks in 2003.
- **Form 941,** Employer's Quarterly Federal Tax Return. File this form quarterly to report income tax withheld and employer and employee social security and Medicare taxes.
- **Form 945,** Annual Return of Withheld Federal Income Tax. File this form to report income tax withheld from nonpayroll distributions or payments.
- **Form 1098,** Mortgage Interest Statement. Use this form to report the receipt from any individual of $600 or more of mortgage interest (including points) in the course of the association's trade or business.
- **Forms 1099-A, B, DIV, INT, MISC, and S.** Use these information returns to report acquisitions or abandonments of secured property, proceeds from broker and barter exchange transactions, certain dividends and distributions, interest income, miscellaneous income (e.g., payments to providers of health and medical services; miscellaneous income payments and nonemployee compensation), and proceeds from real estate transactions. Also use these returns to report amounts received as a nominee for another person.

  For more information, see the Instructions for Forms 1099, 1098, 5498, and W-2G.
- **Form 8300,** Report of Cash Payments Over $10,000 Received in a Trade or Business. Use this form to report the receipt of more than $10,000 in cash or foreign currency in one transaction or in a series of related transactions.

Assembling the Return

Attach **Form 4136,** Credit for Federal Tax Paid on Fuels, to Form 1120-H. Attach schedules in alphabetical order and additional forms in numerical order after Form 4136.

Complete every applicable entry space on Form 1120-H. Do not write "See Attached" instead of completing the entry spaces. If more space is needed on the forms or schedules, attach separate sheets using the same size and format as the printed forms. If there are supporting statements and attachments, arrange them in the same order as the schedules or forms they support and attach them last. Show the totals on the printed forms. Also, be sure to enter the association's name and EIN on each supporting statement or attachment.

Accounting Methods

Figure taxable income using the method of accounting regularly used in keeping the association's books and records. Generally, permissible methods include cash, accrual, or any other method authorized by the Internal Revenue Code. In all cases, the method used must clearly show taxable income.

Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year when **(a)** all events that determine the liability have occurred, **(b)** the amount of the liability can be figured with reasonable accuracy, and **(c)** economic performance takes place with respect to the expense. There are exceptions for recurring items. See section 461(h) and the related regulations for the rules for determining when economic performance takes place.

To change its method of accounting used to report taxable income (for income as a whole or for any material item) the association must file **Form 3115,** Application for Change in Accounting Method. For more information, see Form 3115 and **Pub. 538,** Accounting Periods and Methods.

Change of Tax Year

Generally, an association must get the consent of the IRS before changing its tax year by filing **Form 1128,** Application To Adopt, Change, or Retain a Tax Year. However, under certain conditions, an association may change its tax year without getting the consent.

For more information on change of tax year, see Form 1128, Regulations section 1.442-1, and Pub. 538.

Rounding Off to Whole Dollars

The association may round off cents to whole dollars on its return and schedules. If the association does round to whole dollars, it must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar (for example, $1.39 becomes $1 and $2.50 becomes $3).

If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Depository Method of Tax Payment

The association must pay the tax due in full no later than the 15th day of the 3rd month after the end of the tax year. The two methods of depositing association income taxes are discussed below.

Electronic deposit requirement. The association must make electronic deposits of all depository taxes (such as employment tax, excise tax, and corporate income tax) using the Electronic Federal Tax Payment System (EFTPS) in 2004 if:

- The total deposits of such taxes in 2002 were more than $200,000 or
- The association was required to use EFTPS in 2003.

If the association is required to use EFTPS and fails to do so, it may be subject to a 10% penalty. If the association is not required to use EFTPS, it may participate voluntarily. To enroll in or get more information about EFTPS, call 1-800-555-4477 or 1-800-945-8400 or visit the EFTPS website at **www.eftps.gov.**

Depositing on time. For EFTPS deposits to be made timely, the association must initiate the transaction at least 1 business day before the date the deposit is due.

Deposits with Form 8109. If the association does not use EFTPS, deposit association income tax payments (and estimated tax payments) with **Form 8109,** Federal Tax Deposit Coupon. If you do not have a preprinted Form 8109, use Form 8109-B to make deposits. You can get this form by calling 1-800-829-4933. Be sure to have your EIN ready when you call.

Do not send deposits directly to an IRS office; otherwise, the association may have to pay a penalty. Mail or deliver the completed Form 8109 with the payment to an authorized depositary (i.e., a commercial bank or other financial institution authorized to accept Federal tax deposits). Make checks or money orders payable to the depositary.

To help ensure proper crediting, write the association's EIN, the tax period to which the deposit applies, and "Form 1120-H" on the check or money order. Be sure to darken the "1120" box on the coupon. Records of these deposits will be sent to the IRS.

If you prefer, you may mail the coupon and payment to: Financial Agent, Federal Tax Deposit Processing, P.O. Box 970030, St. Louis, MO 63197. Make the check or money order payable to "Financial Agent."

For more information on deposits, see the instructions in the coupon booklet (Form 8109) and **Pub. 583,** Starting a Business and Keeping Records.

Caution: *If the association owes tax when it files Form 1120-H, do not include the payment with the tax return. Instead, mail or deliver the payment with Form 8109 to an authorized depositary, or use EFTPS, if applicable.*

Estimated Tax, Alternative Minimum Tax, and Certain Tax Credits

These items do not apply to homeowners associations electing to file Form 1120-H. See the instructions for line 21 below for a list of the tax credits that do not apply. However, a homeowners association that does **not** elect to file Form 1120-H may be required to make payments of estimated tax. Because the election **is not** made until the return is filed, Form 1120-H provides lines for estimated tax payments and the crediting of overpayments against estimated tax if payments or overpayments apply.

Interest and Penalties

Interest. Interest is charged on taxes paid late even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, and substantial understatements of tax from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

Penalty for late filing of return. In addition to losing the right to elect to file Form 1120-H, a homeowners association that does not file its tax return by the due date, including extensions, may be penalized 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is over 60 days late is the smaller of the tax due or $100. The penalty will not be imposed if the association can show that the failure to file on time was due to reasonable cause. Associations that file late must attach a statement explaining the reasonable cause.

Penalty for late payment of tax. An association that does not pay the tax when due generally may be penalized ½ of 1% of the unpaid tax for each month or part of a month the tax is not paid, up to a maximum of 25% of the unpaid tax. The penalty will not be imposed if the association can show that the failure to pay on time was due to reasonable cause.

Other penalties. Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

Specific Instructions

Period covered. File the 2003 return for calendar year 2003, and fiscal years that begin in 2003 and end in 2004. For a fiscal year return, fill in the tax year space at the top of the form.

Note: *The 2003 Form 1120-H may also be used if* ***(a)*** *the association has a tax year of less than 12 months that begins and ends in 2004 and* ***(b)*** *the 2004 Form 1120-H is not available at the time the association is required to file its return.*

The association must show its 2004 tax year on the 2003 Form 1120-H and take into account any tax law changes that are effective for tax years beginning after 2003.

Address. Include the suite, room, or other unit number after the street address. If a preaddressed label is used, include this information on the label. If the Post Office does not deliver mail to the street address and the association has a P.O. box, show the box number instead.

Employer identification number (EIN). Enter the association's EIN. If the association does not have an EIN, it must apply for one. An EIN may be applied for:

- Online—Click on the EIN link at **www.irs.gov/businesses/small.** The EIN is issued immediately once the application information is validated.
- By telephone at 1-800-829-4933 from 7:30 a.m. to 5:30 p.m. in the association's local time zone.
- By mailing or faxing **Form SS-4,** Application for Employer Identification Number.

If the association has not received its EIN by the time the return is due, write "Applied for" in the space for the EIN. For more details, see **Pub. 583,** Starting a Business and Keeping Records.

Note: *The online application process is not yet available for associations with addresses in foreign countries or Puerto Rico.*

Final return, name change, address change, or amended return.

- If the association ceases to exist, file Form 1120-H and check the "Final return" box.
- If the association changed its name since it last filed a return, check the box for "Name change."
- If the association has changed its address since it last filed a return, check the box for "Address change."
- To amend a previously filed Form 1120-H, file a corrected Form 1120-H and check the "Amended return" box.

Note: *If a change in address occurs after the return is filed, use* ***Form 8822,*** *Change of Address, to notify the IRS of the new address.*

Item B—60% gross income test. At least 60% of the association's gross income for the tax year must consist of exempt function income (see **Definitions** on page 2).

Item C—90% expenditure test. At least 90% of the association's expenditures for the tax year must consist of expenses to acquire, build, manage, maintain, and care for property, and in the case of a timeshare association, for activities provided to, or on behalf of, members of the timeshare association. Include current and capital expenditures. Use the association's accounting method to figure the total.

Include:

1. Salary for an association manager or secretary.

2. Expenses for gardening, paving, street signs, security guards, and property taxes assessed on association property.

3. Current operating and capital expenditures for tennis courts, swimming pools, recreation halls, etc.

4. Replacement costs for common buildings, heating, air conditioning, elevators, etc.

Do not include expenditures for property that is not association property. Also, do not include investments or transfers of funds held to meet future costs. An example would be transfers to a sinking fund to replace a roof, even if the roof is association property.

Item D. Enter the association's total expenditures for the tax year including those expenditures directly related to exempt function income. Use the association's accounting method to figure the entry for item D.

Item E. Show any tax-exempt interest received or accrued. Include any exempt-interest dividend received as a shareholder in a mutual fund or other regulated investment company.

Line 21—Tax credits. The association may qualify for the following tax credits:

Foreign tax credit. See **Form 1118,** Foreign Tax Credit—Corporations.

Credit for fuel produced from a nonconventional source. See section 29 for a definition of qualified fuels, provisions for figuring the credit, and other special rules.

Qualified electric vehicle credit. See **Form 8834,** Qualified Electric Vehicle Credit, and section 30.

The general business credit (but not the investment credit, the Indian employment credit, the work opportunity credit, the welfare-to-work credit, the empowerment zone and renewal community employment credit, and the New York Liberty Zone business employee credit). See **Form 3800,** General Business Credit.

Note: *The association may not claim the qualified zone academy bond credit.*

Enter the total amount of credits on line 21 and attach the appropriate form(s).

Line 22. If the association must recapture any of the low-income housing credit (or the qualified electric vehicle or new markets credit), include the amount of the recapture in the total for line 22. To the right of the entry space, write "LIH", "QEV", or "NMC", "recapture", and the amount. For details, see **Form 8611,** Recapture of Low-Income Housing Credit; Regulations section 1.30-1 (regarding the qualified electric vehicle credit); or **Form 8874,** New Markets Credit.

Backup withholding. If the association had income tax withheld from any payments it received because, for example, it failed to give the payer its correct EIN, include the amount withheld in the total for line 23g. This type of withholding is called backup withholding. Show the amount withheld in the blank space in the right-hand column between lines 22 and 23g, and write "Backup Withholding."

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	11 hr., 43 min.
Learning about the law or the form	5 hr., 19 min.
Preparing the form	13 hr., 12 min.
Copying, assembling, and sending the form to the IRS	2 hr., 9 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the tax form to this office. Instead, see **Where To File** on page 3.